



Labour market policy initiatives in the Budget Bill for 2022

In the Budget Bill for 2022, the Government proposes a reinforced jobs policy with new measures so that everyone can participate and take Sweden forward after the pandemic. These measures include providing more people with employment training, counteracting long-term unemployment, giving older jobseekers more time in new start jobs and introducing more unemployed people with disabilities to the working world.

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Reinforcement of Arbetsförmedlingen (the Swedish Public Employment Service)

Unemployment and the number of long-term unemployed have increased in the wake of the pandemic and are expected to remain at a high level in 2022. It is important that Arbetsförmedlingen be given the right conditions to carry out its mandate and thereby prevent people from becoming stuck in prolonged unemployment.

The Government therefore proposes in the Budget Bill for 2022 that Arbetsförmedlingen's administrative services be reinforced with SEK 502 million in 2022. The estimated increases for 2023 and 2024 are SEK 620 million and SEK 696 million respectively. The Government further proposes allocating SEK 45 million to administrative appropriations from 2022 to 2024 for enhanced supervisory work. Moreover, appropriations will be reduced by SEK 72 million per year for direct allocation to Statistics Sweden and the National Government Service Centre for activities that Arbetsförmedlingen currently pays for.

Arbetsförmedlingen is responsible for central government labour market policy. Reinforcement of administrative funds improves conditions for Arbetsförmedlingen to offer the same level of service throughout the country and to work actively to prevent women and men from becoming stuck in long-term unemployment.

SEK 1.2 billion to give more jobseekers access to a job-matching service

Matching services target a wide range of jobseekers and are being introduced throughout the country. A matching service provides tailored activities to those who need support finding a job or beginning their studies. This can involve establishing contacts with employers, helping people find and apply for jobs, and providing information about training opportunities, guidance and short courses.

In 2021, matching services provided by independent actors increased in response to the need to address growing unemployment and reform Arbetsförmedlingen. Their remuneration is largely results-based and differentiated based on how far removed from the labour market the participants are. Increased participation in matching services can contribute to shortened unemployment times and more effective matching between jobseekers and employers seeking workers.

In the Budget Bill for 2022, the Government proposes that SEK 1.2 billion be allocated so that more people can benefit from these initiatives with the aim of counteracting unemployment, improving matching in the labour market and as a further step in reforming Arbetsförmedlingen. The estimated increases for 2023 and 2024 are SEK 173 million and SEK 2 690 million respectively.

SEK 425 million to give more jobseekers access to employment training

Many jobseekers lack the skills demanded by the labour market and need to improve their skills or train for a shortage occupation. Employment training increases jobseekers' chances of finding working and at the same time contributes to meeting employers' recruitment needs. Access to relevant employment training is important both during the ongoing crisis and once the economy has recovered but there is a labour shortage.

For this reason, the Government proposes in the Budget Bill for 2022 that SEK 425 million be allocated to provide more jobseekers with employment training. An estimated SEK 856 million will be provided for 2023 and SEK 974 million for 2024. The aim of the proposal is to enable a high and consistent level of employment training volumes from 2022 to 2024. In total, this involves an estimated volume increase of approximately 2 100 people on average in 2022, 4 400 in 2023 and 5 000 in 2024.

By maintaining employment training volumes, it will be possible for Arbetsförmedlingen to offer more jobseekers training for shortage occupations, which is also important in light of the green and digital structural transformation facing Sweden.

SEK 701 million to enable more people to get extra jobs or introductory jobs

Long-term unemployment has risen in the wake of the COVID-19 pandemic and there is a risk that it will become entrenched at a high level. Extra jobs and introductory jobs can create job opportunities, not least for foreign-born women, and increase opportunities for employment. The Government therefore proposes an investment of SEK 701 million in 2022 to give those who are furthest removed from the labour market access to extra jobs and introductory jobs. An estimated SEK 778 million will be invested in 2023 and SEK 677 million in 2024. The proposal entails a higher long-term number of people employed through employment support.

An extra job is a job with an employer in the welfare, public, cultural or non-profit sector for which 100 per cent of the employer's costs are subsidised. For introductory jobs, 80 per cent of the employer's costs are subsidised in both private and public sector activities.

More unemployed people with a disability to benefit from the introduction to work service

Conditions for finding work need to be further improved for groups that are far removed from the labour market. The Government therefore proposes that SEK 31 million be allocated to increase the number of places in the introduction to work service.

Long-term unemployment has risen in the wake of the COVID-19 pandemic. Many long-term unemployed people have a disability that entails reduced working capacity. The introduction to work service is aimed at jobseekers who need preparatory activities before they can take part in labour market policy initiatives and programmes. The introduction to work service is tailored to the participant's individual needs but can include a survey of the participant's skills, orientation ahead of work and work practice. Many participants have a disability.

The Government allocated SEK 7.8 million in the spring amending budget for 2021 to the introduction to work service in 2021. More jobseekers in need of rehabilitation and preparatory activities need to access this service. The Government therefore proposes in the Budget Bill for 2022 that the investment be extended and made permanent, and that SEK 31 million be allocated as of 2022 to enable an additional 1 000 people to benefit from the introduction to work service. The investment is expected to help more people who are not ready for job matching to begin studies or a labour market policy programme to improve their prospects.

SEK 52 million for more participants in work experience

Unemployment has increased substantially during the pandemic. In 2021, the economy is recovering as restrictions ease and an increasing number of people get vaccinated. For those with a weaker position in the labour market, however, there is a risk of becoming stuck in long-term unemployment. More jobseekers need support earlier to avoid long-term unemployment.

To enable those who have become unemployed but are still not qualified for the guarantee programmes to increase their chances of re-entering the labour

market, the Government proposes reinforcing funds to Arbetsförmedlingen for work experience placement schemes. Work experience placements enable jobseekers to try out a job, expand their contact network or demonstrate their skills to an employer.

The Government proposes that Arbetsförmedlingen be allocated funds amounting to SEK 52 million for more work experience placements for people outside the guarantee programmes. The estimated increase for 2023 and 2024 is SEK 65 million. This roughly equates to doubling the number of full-time equivalent places to an average of 2 000 places for 2022 and 2 500 for 2023 and 2024. These 2 000 places equate to an estimated 12 000 people on the scheme in 2022.

SEK 85 million for enhanced new start jobs

In the Budget Bill for 2022, the Government proposes that funds be allocated to partly offset the lower new start job subsidy rate when employing people for whom the employer pays reduced employers' social security contributions.

The previously adopted reforms entailing reduced employers' social security contributions for young people and the 'growth support' mean lower subsidy levels when employing people in new start jobs. This is because the support for new start jobs is based on the established employers' social security contributions. This risks reducing the incentive for employers to employ jobseekers in new start jobs.

The Government therefore proposes in the Budget Bill for 2022 that funds be allocated to partly offset this effect. Expenditure for these measures is estimated to amount to SEK 85 million in 2022, SEK 41 million in 2023 and SEK 21 million in 2024.

Time in new start jobs extended for older jobseekers

Older jobseekers run a greater risk of long-term unemployment. For this reason, the Government is allocating SEK 20 million in the Budget Bill for 2022 so that people aged 55 or older can hold new start jobs for a longer period.

Jobseekers who are 55 or older belong to a group that, according to Arbetsförmedlingen, is generally less competitive in the labour market. To counteract long-term unemployment among older people, the Government

proposes in the Budget Bill for 2022 that the rules for new start jobs be changed so that those aged 55 or older can hold new start jobs for twice as long as the current regulatory framework allows, but for a maximum of 48 months.

The aim of new start jobs is to stimulate employment of people who have been out of work for a long period. An employer who wants to employ a person in a new start job has the right as long as the conditions for the support are met.

The proposal aims to increase opportunities for older people who are long-term unemployed to re-enter and establish themselves in the labour market through a new start job.

The investment is estimated to amount to SEK 21 million in 2022, SEK 40 million in 2023 and SEK 41 million in 2024.

Extended mandate for the Delegation for the Employment of Young People and Newly Arrived Migrants, and promotion funds

Effective collaboration between central government and the municipalities is important for getting people into work. This collaboration is especially important for individuals who are far removed from the labour market and at risk of long-term unemployment. For this reason, the Government established the Delegation for the Employment of Young People in 2014, and tasked it with working for greater local impact of labour market policy measures against youth unemployment. In 2017, this mandate was expanded to include newly arrived migrants.

In the Budget Bill for 2022, the Government announced an extension of the Delegation's mandate through 28 February 2023. In its final report on the mandate, the Delegation described how new working methods developed as a result of the Delegation's work can be integrated into Arbetsförmedlingen's regular activities.

At the same time, the Government proposes in the Budget Bill for 2022 that SEK 20 million be allocated in 2022 to promote collaboration between municipalities and central government. The Delegation will make these funds available and municipalities, in particular, can apply to cover some of the costs of collaboration.

Entry agreements to be introduced in accordance with the social partners' proposal

The Government is working to introduce labour market entry agreements in the first half of 2022 in accordance with the social partners' proposal.

Entry agreements are a completely new model for central government to stimulate employment, built on a proposal from the Swedish Trade Union Confederation, Unionen and the Confederation of Swedish Enterprise. The model differs from existing subsidised employment in that the subsidy is paid directly to the individual instead of the employer paying the whole salary to the employee and then receiving compensation from the central government for part of the salary. Entry agreements will be introduced in accordance with the social partners' proposal for businesses with a collective agreement on entry agreements.

Entry agreements will give more newly arrived migrants and unemployed people a way into employment and will also facilitate skills supply to businesses. Entry agreements should normally lead to permanent full-time employment.

The introduction of entry agreements in accordance with the social partners' proposal entails savings on the costs for entry agreements amounting to SEK 32 million in 2022, SEK 41 million in 2023 and SEK 52 million in 2024. This halves the amount allocated in earlier budgets and is the result of targeting companies with a collective agreement on entry agreements.

Early measures for asylum seekers

In the Budget Bill for 2022, the Government proposes that funds to civil society and municipalities for early measures for asylum seekers and others be increased by SEK 30 million in 2022, with the aim of ensuring access to information on Swedish society and health promotion activities.

Early measures for asylum seekers and others contribute to counteracting passivity during the asylum-seeking period, facilitating contact with the Swedish labour market and promoting future integration for those who are granted a residence permit. Enabling more asylum seekers to benefit from Swedish language courses and information on Swedish society during the asylum-seeking period should facilitate and accelerate entry into the labour market. Early measures can be especially important for asylum-seeking women. In addition to asylum seekers, these measures include people with a residence permit living in accommodation provided by the Migration Agency who are awaiting reception in a municipality.

Reinforcement of measures to accelerate integration

It is essential that newly arrived migrants who have been away from the labour market for a long period to take care of children can also use this time for measures that strengthen their prospects of integration into the labour market and Swedish society. The Government therefore proposes allocating an additional SEK 20 million per year in 2023 and 2024 to municipalities and civil society to promote participation in working life and Swedish society ('37a funds').

The proposal enables the continuation of the Government's ongoing 2018–2022 investment in language development measures for people on parental leave and others with small children with the aim of promoting participation in working life and Swedish society. The proposal is primarily intended as an opportunity for newly arrived migrant women during their parental leave.

Integration into working life and Swedish society tends to take longer for newly arrived migrant women than newly arrived migrant men, and this is especially the case for newly arrived migrant women who have been on parental leave for long periods. Measures aimed at people on parental leave are deemed to increase gender equality, since women take parental leave to a much greater extent than men.

The pandemic's effects on the labour market have eliminated many of the employment opportunities that normally serve as an entry to working life. Measures by municipalities and by municipalities in collaboration with civil society may have greater prospects of reaching target groups who would not otherwise make use of the public offering. The funds are thus deemed to enable measures that reach groups who, for example, do not take part in Arbetsförmedlingen's introduction activities. The municipalities' role in these activities can also facilitate courses of measures and encourage people on parental leave to make use of the regular offering of measures for increased employment after parental leave, such as Swedish for Immigrants, municipal adult education and Arbetsförmedlingen's programmes.

Reinforcement of the unemployment insurance fund

The labour market remains heavily impacted by the pandemic, and this causes financial difficulties for individuals. The Government has reinforced unemployment insurance several times during the pandemic, for example by raising benefit levels and adjusting the qualifying period so that more people can qualify for benefits. These two measures will remain in effect through

2022, as announced in the Budget Bill for 2021.

To mitigate the financial consequences of the pandemic, the Government proposes that the number of qualifying days be reduced from six to two in 2022. This means that individuals will be able to receive unemployment benefits earlier than under the current rules. The costs of the proposal are estimated at SEK 345 million in 2022. The temporary qualifying conditions will enter into force on 3 January 2022 and cease to apply on 1 January 2023.

The Government has also submitted a proposal enabling the relaxation of certain regulations for entrepreneurs to be extended. The Government is extending the relaxation of the regulations concerning dormant businesses through exceptions to the 'five-year rule' through 2022. The Government also intends to extend the temporary possibility for entrepreneurs to take certain marketing measures while retaining unemployment benefit through 2022.

Employees who are not covered by collective agreements will be offered basic retraining and skills support

Today's labour market places high demands on skills and the ability to adapt to new duties or jobs. Employees without a collective agreement are less likely to have access to retraining support financed by the employer. For this reason, the Government proposes in the Budget Bill for 2022 that a new public retraining organisation should offer basic retraining and skills support for employees who are not covered by a collective agreement. Employers who finance retraining and skills support through a registered retraining organisation will also be eligible for compensation for doing so. A public retraining organisation will be established under the Legal, Financial and Administrative Services Agency.

The Government proposes in the Budget Bill for 2022 that SEK 75 million be allocated to finance the new public basic retraining and skills support through the public retraining organisation. This is estimated to increase to SEK 1 billion in 2023 and SEK 3.2 billion in 2024. This also includes resources for compensation for the costs of retraining services as of 2023 amounting to just under SEK 700 million in 2023 and SEK 2.9 billion in 2024. In the autumn amending budget, the Government proposes allocating SEK 10 million to the Legal, Financial and Administrative Services Agency and SEK 5 million to the Swedish Tax Agency in 2021 for startup costs for the reform.

For 2022, the Government also proposes that resources amounting to SEK 37 million be allocated to the Legal, Financial and Administrative Services Agency's administrative appropriations for its work on the new public retraining organisation. The Government also proposes that SEK 5 million be allocated to the Swedish Tax Agency's administrative appropriations to carry out IT development for employer information to be provided to the Legal, Financial and Administrative Services Agency. Funds for the Legal, Financial and Administrative Services Agency are also planned for future years.

The proposal is in line with the social partners' agreement reached between the Confederation of Swedish Enterprise, PTK (the council for negotiation and cooperation), manufacturing union IF Metall and Kommunal (the Swedish Municipal Workers' Union) on security, retraining and employment protection.

The Government plans to return to the Riksdag in 2022 with a detailed proposal on how the support will be allocated.

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Vigorous measures to fight work-related fraud

Everyone has a right to a safe and secure work environment. A poor work environment should never provide a competitive advantage. Companies that deliberately contravene laws and regulations to gain competitive advantages create unhealthy competition in the labour market. In the Budget Bill for 2022, the Government proposes three measures to create security in the labour market and curb work-related crime.

– Conditions in the labour market must be fair and decent. Society’s view of rogue actors who exploit people and distort competition must be uncompromising, says Minister for Employment Eva Nordmark.

Increased resources to fight work-related crime

Work-related crime has negative consequences for workers, companies, society and central government finances. Actors who carry out criminal activities have demonstrated their ability to combine regulatory infringements in multiple areas. Because of this, efforts to fight work-related crime require permanent inter-agency collaboration. In the Budget Bill for 2022, the Government proposes that the Swedish Work Environment Authority’s administrative appropriations be increased by SEK 10 million per year to enhance inter-agency collaboration to fight work-related crime and increase supervision.

Work Environment Authority to receive additional funds for more work environment inspections

In the Budget Bill for 2022, the Government proposes increasing the Work Environment Authority’s administrative appropriations. The proposal is to increase appropriations by SEK 25 million in 2022, SEK 50 million in 2023

and SEK 75 million from 2024. This investment will enable the Work Environment Authority to conduct more work environment inspections. Work environment supervision is essential to maintaining worker protection and ensuring that fair competition conditions prevails in the labour market.

SEK 45 million to Swedish Public Employment Service for supervisory work

Effective supervision is critical to the Public Employment Service's efforts to prevent rogue actors from taking part in publicly financed activities. Independent actors implement a major share of the labour market policy initiatives for job seekers. In the Budget Bill for 2022, the Government proposes SEK 45 million in additional funding to enhance the agency's supervisory work. This investment is planned for the years 2022–2024.

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Minimum wages discussed during French ministerial visit

On Monday, Minister for EU Affairs Hans Dahlgren and Minister for Employment Eva Nordmark met with French Minister of Labour, Employment and Economic Inclusion Élisabeth Borne and French Minister of State for European Affairs Clément Beaune. The aim of the meeting was to discuss various current issues, with a focus on the EU minimum wage proposal.

In October 2020, the European Commission adopted a proposal for a directive on adequate minimum wages in the EU. The Swedish Government, in close dialogue with the social partners, has worked to ensure that the European Commission's proposal on minimum wages does not become legally binding.

During Tuesday's meeting with Ms Borne and Mr Beaune, talks centred on topics such as minimum wages ahead of France taking over the Presidency of the EU in January 2022.

“I am highly critical of the EU wanting to interfere in Swedish wage formation. For Sweden, it is about making clear that the social partners must be in charge of wage formation. Research has repeatedly shown that our approach to wage formation has served Swedish wage earners well for several decades, and we cannot jeopardise this,” says Ms Nordmark.

The discussion also touched on joint efforts ahead of France's and Sweden's upcoming EU Presidencies in the trio programme. Other important issues addressed at the meeting were climate change and respect for the rule of law among EU Member States, including human rights of LGBTIQ people.

“France is a strong voice in the EU that is closely aligned with Sweden on a number of issues – particularly with respect to the importance of all EU

Member States respecting the rule of law. I look forward to our continued collaboration on this and other issues ahead of our upcoming Presidencies,” says Mr Dahlgren.

Job training, the agreement between the social partners, and public funding for the unemployed were also discussed during the meeting.

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Government raises ambitions in new work environment strategy

The work environment at every workplace has a major bearing on people's living conditions and is key to a well-functioning and vigorous labour market. The Government has adopted a new work environment strategy with a continued high level of ambition for work environment policy.

Working is positive and provides a sense of community, meaning and the power to shape your own life. But there are also challenges in working life that can lead to ill health, accidents and even death.

– The ambitions for work environment policy need to be higher. Everyone working in Sweden should have a work environment that allows them to be able to and to want to work for a full working life. In the Government's new work environment strategy, we are raising the ambitions for work environment policy. We are presenting policies for security, development and good health at work, says Minister for Employment Eva Nordmark.

The Government's work environment strategy for 2021–2025 is intended to clarify and strengthen efforts to achieve the objective of good working conditions and opportunities for development in the workplace for both women and men in Sweden. The work environment should prevent illness and accidents. The work environment should stop people being excluded from working life and take people's differing conditions into account. The work environment should contribute to developing individuals and operations.

There are four priority areas in the new work environment strategy:

Sustainable working life – everyone should be able to, capable of and want to work for a full working life.

Healthy working life – working life should contribute to development and well-being.

Safe working life – no one should risk their lives or health because of their job.

A labour market without crime and cheating – a poor work environment should never provide a competitive advantage.

The following targets are found within the work environment strategy's priority areas.

A new 'vision zero' that no one should die because of work

The Government is broadening the vision zero for fatal accidents from an objective that no one should die at work to no one should die as a result of work. This not only entails a vision of zero workplace accidents that lead to death, but also of zero work-related mortality due to chronic ill health, unhealthy stress, cancer and suicide, for example.

Work environment in the gig economy and working from home

Regardless of whether services are provided via apps or work is conducted at home from the kitchen table, there should be no uncertainties with regard to responsibility for the work environment. Everyone who works in Sweden should have a good and safe working environment. The work environment regulations will be reviewed with the aim of clarifying who is responsible for the work environment in situations where this is currently unclear.

Work environment regulations to be reviewed from a gender perspective

When the Work Environment Act entered into force in the 1970s, working life was different from today. Even though the legislation and regulations have been updated over the years, there is reason to review how work environment regulations can be improved to strengthen the work environment in sectors that are dominated by women. One question that must be considered is whether financial penalties are required in more areas than today.

Further steps to stop criminal activity in working life

The Swedish Work Environment Authority makes the assessment that the

number of companies that systematically breach work environment regulations to gain competitive advantages is increasing. Multi-agency cooperation has increased the ability to stop actors that breach the work environment and other regulations. This work will continue and be intensified, including through more multi-agency controls.

Increased knowledge about the work environment – from school to research

Research and knowledge concerning what creates a good work environment and a sustainable working life will continue to be prioritised. To contribute to reducing the number of work-related accidents and other forms of ill health in working life, learning about working life at school is important. Work on work environment expertise will be enhanced.

The Swedish Work Environment Authority and the Swedish Agency for Work Environment Expertise have a particular role as government agencies in the work environment area. For this reason, the Government has decided to instruct these agencies to develop action plans to implement the strategy in their respective areas.

The action plans will proceed from the strategy's four priority areas and clarify which measures are to be implemented in order to achieve the strategy's objectives. An initial written report is due to be presented no later than 31 August 2021. The Swedish Work Environment Authority and the Swedish Agency for Work Environment Expertise will subsequently provide an annual written status report.

To maintain and deepen tripartite cooperation, the Government has also decided to retain an ongoing forum for dialogue with representatives of the social partners and relevant government agencies. The forum will be called the Government's work environment forum. The purpose of the forum is to discuss – together with the social partners and government agencies – ongoing and planned measures in the strategy's area, as well as the action plans developed by the Swedish Work Environment Authority and the Swedish Agency for Work Environment Expertise.

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Labour market initiatives in the Budget Bill for 2021

In the Budget Bill for 2021, the Government proposes labour market initiatives worth more than SEK 9 billion. The Government's proposals are based on an agreement between the government parties, the Centre Party and the Liberal Party.

Reinforcement of unemployment insurance to be temporarily extended

In the Budget Bill for 2021, the Government proposes that several changes made to unemployment insurance in the first half of 2020 be extended for a further two years, i.e. until the end of 2022.

The COVID-19 outbreak has hit businesses hard; both employees and sole traders have lost their jobs or assignments and are now in need of unemployment benefits. In an additional amending budget in April 2020, the Government decided on a range of temporary measures to increase the number of people entitled to unemployment benefits and on a temporary increase in benefit levels in 2020.

Based on the Government's proposals, a temporary relaxation of the work requirement was introduced. The Government also decided to raise the ceiling for the income-related benefit for the first 100 days and from the 101st day. In addition, the Government decided on an increased minimum unemployment benefit and a temporary minimum level for unemployment benefit. In the Budget Bill for 2021, the Government proposes additional funding to enable these changes to unemployment insurance to apply throughout both 2021 and 2022. The proposed allocation is for almost SEK 6 billion in 2021.

Arbetsförmedlingen's administrative appropriation reinforced by SEK 1 billion

Unemployment is expected to continue to rise in 2021. Arbetsförmedlingen (the Swedish public employment service) therefore needs increased administrative resources to be able to manage a higher number of registered jobseekers and ensure effective local presence and equitable services throughout the country.

In the Budget Bill for 2021, the Government therefore proposes that Arbetsförmedlingen be allocated SEK 250 million as of 2021 to ensure effective local presence and equitable services throughout the country and SEK 740 million to manage a higher number of unemployed people. The Government also estimates that SEK 300 million will be allocated in 2022 and SEK 50 million in 2023 to manage a higher number of unemployed people.

In addition, further reinforcements and reductions in Arbetsförmedlingen's administrative appropriation are proposed due to other reforms included in the Budget Bill for 2021. The administration appropriation will be reinforced by a total of SEK 1 011 million in 2021.

SEK 772 million for employment training

Unemployment is expected to rise and demand in the economy to be subdued over the next few years. Many of the jobs that are now disappearing are at risk of disappearing forever. It is important to offer quality skills enhancement initiatives so that jobseekers who need them can strengthen their position in the labour market ahead of an economic upturn.

In the Budget Bill for 2021, the Government therefore proposes that funds be allocated to increase access to employment training programmes to meet the demand for workers in shortage occupations and boost jobseekers' knowledge through short vocational programmes.

The Government proposes an allocation of SEK 772 million in 2021. In addition, it proposes allocations of SEK 500 million in 2022 and SEK 200 million in 2023. These allocations correspond to, on average, an additional 4 000 participants per month in 2021, 2 500 participants in 2022 and 1 000 in 2023.

SEK 1 billion to enable more jobseekers to access job-matching services

The Government proposes that funds are allocated to gradually increase the number of participants in procured job-matching services. Increasing the

extent of procured matching services can contribute to shorter periods of unemployment and a lighter burden on Arbetsförmedlingen. It can also contribute to gradually increasing the suppliers' capacity to offer matching services for jobseekers ahead of a future reformed system. The reform of Arbetsförmedlingen aims to enhance the effectiveness and efficiency of its labour market activities, and the main regulatory framework will enter into force at the end of 2022.

In the Budget Bill for 2021, the Government proposes that SEK 1 billion be allocated to gradually increase the number of participants in procured matching services as part of Arbetsförmedlingen's reform process. This will be followed by an estimated SEK 1.5 billion in 2022 and SEK 2 billion in 2023. It is estimated that in 2023, SEK 500 million will be added to appropriation 1:2 'Grant to unemployment benefit and activity support'

SEK 100 million for introduction of 'intensive year'

In the Budget Bill for 2020, the Government announced the introduction of an 'intensive year' for newly arrived immigrants. This is part of their 'new start' in Sweden, and will help them to enter the labour market more quickly. The aim is that, after the 'intensive year', the participants' skills should match labour market needs and they should be able to find work within one year of beginning the 'intensive year'.

Funds for the 'intensive year' were allocated in the Budget Bill for 2020, including in Arbetsförmedlingen's administrative appropriation. An additional SEK 100 million to Arbetsförmedlingen's administrative appropriation is now being proposed in the Budget Bill for 2021 to ensure effective implementation.

SEK 500 million to introductory jobs and extra jobs

Long-term unemployment is expected to rise in 2021 and result in a need for initiatives for people who have been unemployed for a long time or newly arrived immigrants who are unable to find work without considerable support. Extra jobs and introductory jobs can create job opportunities for this group, not least foreign-born women, and increase the chances of finding work.

In the Budget Bill for 2021, the Government therefore proposes the allocation of funds to introductory jobs and extra jobs. The aim is to create more job opportunities for newly arrived immigrants and long-term

unemployed, which in turn can strengthen their position in the labour market.

In the Budget Bill for 2021, the Government proposes additional funding of SEK 500 million for extra jobs and introductory jobs. The proposal estimates that this will generate, on average, 2 400 more employment support initiatives per month in 2021. In 2022 the additional funding is estimated at SEK 100 million.

Delegation for the Employment of Young People and Newly Arrived Migrants

In its Budget Bill, the Government proposes additional funding of SEK 25 million in 2021 for promotion funds to the Delegation for the Employment of Young People and Newly Arrived Migrants (Dua). This is to enable collaboration between municipalities and Arbetsförmedlingen to be maintained and developed. Dua's efforts to promote collaboration between municipalities and Arbetsförmedlingen are important for young people and newly arrived immigrants, who are able to benefit from the joint initiatives of municipalities and Arbetsförmedlingen, including initiatives in collaboration with employers in 'local job tracks'.

On 17 September 2020, the Government decided to extend Dua's assignment until 31 December 2021.

SEK 30 million to fight labour market crime

In the Budget Bill for 2021, the Government proposes a permanent increase of SEK 30 million in the Swedish Work Environment Authority's administrative appropriation. This will better enable the Swedish Work Environment Authority and other agencies to work in a focused and collaborative manner to continue to fight fraud, non-compliance with rules and regulations, and crime in the Swedish labour market. In 2018–2020 the Government has invested SEK 18 million per year to strengthen efforts to combat unfair competition in the labour market. The Government has previously tasked eight agencies – Arbetsförmedlingen (the Swedish public employment service), the Swedish Work Environment Authority, the Swedish Economic Crime Authority, Försäkringskassan (the Swedish Social Insurance Agency), the Swedish Gender Equality Agency, the Swedish Migration Agency, the Swedish Police Authority and the Swedish Tax Agency – with jointly developing efficient and effective working methods in 2018–2020 for multi-agency controls to combat fraud, non-compliance with

rules and regulations, and work-related crime. This assignment was coordinated by the Swedish Work Environment Authority.

In February 2020, the Minister for Employment decided to task an inquiry with following up and analysing the work on multi-agency controls to fight fraud, non-compliance with rules and regulations, and crime in the Swedish labour market. The inquiry will also propose measures in this area and actions required to ensure that efforts are effective and efficient. The final report is due by 30 December 2020.

SEK 47 million to combat incorrect disbursements and labour market fraud

The conditions to effectively combat incorrect disbursements and benefit offences need to be strengthened. In the Budget Bill for 2021, the Government therefore proposes that SEK 47 million be allocated for this in the labour market policy area.

The Government proposes that resources be allocated to Arbetsförmedlingen and the unemployment insurance funds in 2021–2023 to enable them – in cooperation with the Swedish Unemployment Insurance Board and a newly established function at the National Financial Management Authority – to strengthen checks and combat incorrect disbursements and fraud in the area of unemployment insurance. Moreover, Arbetsförmedlingen is tasked with strengthening its checks in relation to jobseekers' job-search activities and reporting to the unemployment insurance funds. The Government proposes an allocation of SEK 25 million for this in 2021–2023; SEK 15 million is proposed for Arbetsförmedlingen and SEK 10 million for the unemployment insurance funds. In addition, the Government proposes an allocation of SEK 5 million per year to the Swedish Unemployment Insurance Board for work to combat incorrect disbursements and fraud against the welfare systems.

In the Budget Bill for 2021, the Government also proposes several investments to intensify efforts to combat incorrect disbursements, abuse and fraud in the welfare systems. These investments include SEK 17 million to Arbetsförmedlingen and, as mentioned above, SEK 5 million per year to the Swedish Unemployment Insurance Board to combat incorrect disbursements and fraud in the welfare systems. The allocations will be used to intensify efforts to fight and follow up on errors and fraud in the benefit systems.

SEK 400 million till Samhall

Samhall plays an important role in improving job prospects for people who have disabilities impairing their capacity to work and who cannot find work or support through other measures.

Samhall's additional costs are expected to rise due to wage increases. To enable Samhall to uphold its labour market policy mandate and maintain its sound capital structure, the Government proposes that Samhall receive additional funding of SEK 400 million per year as of 2021.

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Government proposes legislative amendments to increase equal treatment of posted workers

The Government has decided to refer a proposal to the Council on Legislation for Sweden to implement the EU's revised Posting of Workers Directive. In its referral to the Council on Legislation, the Government proposes legislative amendments that will create more equal conditions for posted workers and domestic workers. The Government also proposes tighter regulations on the notification obligation in connection with the posting of workers and an extension of the right of access for regional safety representatives.

“Swedish conditions and wages must apply in Sweden. The revised Directive is a victory for the Swedish labour market model. We are also going ahead with proposals to give regional safety representatives access to all workplaces that are bound by collective agreements. Under the current legislation, the requirement for an employee organisation to have a member at the workplace risks resulting in regional safety representatives not having access to workplaces where they are needed. The work of regional safety representatives is extremely important – it can ultimately be a matter of life and death,” says Minister for Employment Eva Nordmark.

The EU adopted the revised Posting of Workers Directive in 2018. The revised Directive means that posted workers must, to a greater extent, be treated in the same way as domestic workers in terms of pay and other working conditions. The revised Directive also contains provisions on enhanced protections for posted temporary agency workers and long-term posting.

In order to implement the revised Directive, the Government has now referred a number of proposals to the Council on Legislation that are to result in more equal treatment of domestic workers and posted workers in the Swedish labour market and enhanced protection for posted workers.

More equal treatment of posted workers

In its referral to the Council on Legislation, the Government proposes to enhance the conditions for posted workers in collective agreements. For example, the remuneration that may be demanded will no longer be limited to the minimum wage.

Increased protection for posted temporary agency workers who come to Sweden is proposed. It is proposed that they receive conditions equal to Swedish temporary agency workers.

The protection for workers posted for longer periods will also be strengthened through a proposal that means that essentially all working and employment conditions will apply to them. Under the Government's proposal, a posting can be considered to be long-term if different workers' periods of posting are added together.

Stricter regulations on the notification obligation in connection with posting

In its referral to the Council on Legislation, the Government proposes stricter provisions on the obligation for service providers that post workers to make a declaration and to designate a contact person in the Posting of Workers Act. Service providers who post workers to Sweden will be required to make a declaration to the Swedish Work Environment Authority regarding the posting and the designated contact person in Sweden from the first day of posting. Currently, that obligation do not apply if the posting in Sweden is intended to continue for at most five days.

Service providers that post workers will be required to provide documentation to the service recipients in Sweden showing that a declaration has been made to the Swedish Work Environment Authority. Service recipients in Sweden will be required to notify the Swedish Work Environment Authority if the service providers that post workers does not demonstrate that the obligation to make a declaration has been fulfilled. A administrative penalty will be imposed if the service provider or the service recipient does not fulfil these obligations.

Extended right of access for regional safety representatives

Mobility in the Swedish labour market has increased. Workers stay for ever shorter periods in the same workplace and the proportion of fixed-term, hired and posted workers has increased. Developments in the Swedish labour market mean there is reason to assume that more workers now work in a workplace where there is no local safety representative than was the case previously.

In its referral to the Council on Legislation, the Government proposes an extension of the right of access for regional safety representatives through an amendment to the Work Environment Act. It is proposed that the regional safety representatives' right of access be extended to workplaces where an employee organisation has no members but where the organisation is or is normally bound by a collective agreement with the employer.

The purpose of the proposal is to address the problems that have arisen in the changed labour market by strengthening work environment efforts in workplaces that lack organised local safety work, and thereby prevent ill health and accidents at work.

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Further steps to stop criminal activity in working life

A government assignment to eight government agencies has yielded positive results from efforts to stop fraud, regulatory infringements and criminal activity in working life. The Government now wants to use the experience gained from the assignment to help government agencies work effectively to stop criminal activity in working life.

Fraud, regulatory infringements and criminal activity in working life have negative consequences for workers, companies, society and central government finances. Moreover, they have a negative impact on employment and productivity, and they distort competition.

“Criminal activity in working life has no place in our labour market. Society’s view of unscrupulous companies that cheat must continue to be uncompromising. Companies that follow the rules risk being out-competed by unscrupulous actors. The Government is taking a tough stance. It is important to call problems by their proper name. We have a level of criminal activity in working life here in Sweden that exploits people and also functions as a source of income for organised crime,” says Minister for Employment Eva Nordmark.

The Government has previously tasked Arbetsförmedlingen (the Swedish public employment service), the Swedish Work Environment Authority, the Swedish Economic Crime Authority, Försäkringskassan (the Swedish social insurance agency), the Swedish Gender Equality Agency, the Swedish Migration Agency, the Swedish Police Authority and the Swedish Tax Agency with jointly developing working methods during the period 2018–2020 for inter-agency checks to stop fraud, regulatory infringements and criminal activity in working life.

3 000 inter-agency checks

The assignment has so far resulted in over 3 000 inter-agency checks at workplaces. There has been a focus on high-risk sectors, such as the construction, beauty and restaurant sectors. According to the Swedish Work Environment Authority, during their checks the agencies uncovered illegal labour, human trafficking, substandard living conditions, hazardous work environments, dangerous and unprotected equipment, inadequate security equipment and benefit fraud. Of the companies checked, approximately one in ten were forced to terminate their operations either completely or partially because of the shortcomings the agencies found. In addition, penalties totalling approximately SEK 10 million have been issued.

Follow-up work

The Minister for Employment has now decided to appoint an inquiry to assist the Ministry of Employment with following up and analysing the work on inter-agency checks to combat fraud, regulatory infringements and criminal activity in working life. The inquiry will also submit proposals for measures in the area and necessary action to ensure that efforts to combat fraud, regulatory infringements and criminal activity in working life are effective and fit-for-purpose.

Difficulties with information exchange

One challenge that the government agencies have identified in their collaboration are difficulties with information exchange between agencies. An important task for the inquiry will therefore be to identify and analyse the situations in which difficulties occur and what information needs to be exchanged.

The remit includes:

- consulting agencies to identify and analyse what situations these difficulties occur in; and
- identifying what information needs to be exchanged for effective and fit-for-purpose checks, and whether this requires additional measures.

The inquiry will also look into the conditions for digital information exchange and an inter-agency tip-off portal.

ID checks in high-risk sectors

ID checks in high-risk sectors could help to combat fraud, regulatory

infringements and criminal activity in working life. The remit therefore includes analysing the role of work ID cards in workplace checks and considering whether measures are needed.

The inquiry chair will be Mikael Sjöberg, former Director-General at both the Swedish Work Environment Authority and Arbetsförmedlingen. The final report is to be presented by 30 December 2020.

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Measures to get more people into work

In the Budget Bill for 2020, the Government presents a package to get more people into work. In all, it is proposed that almost SEK 1.3 billion be allocated to help equip more people for work and for better integration, continued expansion of the Adult Education Initiative and an active business policy. These proposals are based on an agreement between the Government, the Centre Party and the Liberal Party.

The Swedish economy has performed strongly. From an historical perspective, the employment rate is high among both women and men. But despite the positive trend in recent years, unemployment is still too high in certain groups and jobseekers all too often lack the skills that employers require. Since 2018, unemployment is no longer decreasing and developments in the labour market are expected to be more subdued.

In the budget adopted by the Riksdag for 2019, scope for an active labour market policy has been significantly reduced. This risks making it more difficult for people with a relatively weak position in the labour market to find work. In the light of this, the Government proposes introducing a number of measures to mitigate the previously announced cutbacks and improve the prospects for good results.

In the Budget Bill for 2020, the Government proposes initiatives totalling approximately SEK 1.3 billion to get more people into work. People must be given the opportunity to acquire the knowledge and experience that are in demand in the labour market, while it must be easier for employers to satisfy their skills provision needs. It must be possible for more people to start and run companies, and the business sector's competitiveness must be strengthened.

“Sweden is well equipped to meet a future economic slowdown, and an efficient, active labour market policy is an important cornerstone of this work,” says Minister for Finance Magdalena Andersson.

A well-developed labour market policy

The Government proposes providing resources to increase the number of participants in procured matching services in response to the approach of the efforts to reform Arbetsförmedlingen (the Swedish Public Employment Service). The proposal means that SEK 193 million will be provided in 2020. Subsequently, it is estimated that SEK 348 million will be provided in 2021 and SEK 427 million in 2022.

It is estimated that Arbetsförmedlingen will receive SEK 350 million in 2021 and SEK 150 million in 2022 in administrative appropriation increases to maintain the pace of the reform process, set long-term priorities and, in the short term, avoid further cutbacks beyond those in 2019 and 2020 and which the service had previously announced.

Additional funds amounting to SEK 427 million are proposed for 2020 to curb the reduction of extra jobs and introductory jobs. The Government proposes providing SEK 281 million in 2020 for employment training. The aim of employment training is to strengthen an individual’s ability to find or keep a job, and to make it easier for employers to find workers with the skills they need. Those who are unemployed will be offered training in shortage occupations.

The Government intends to introduce labour market entry agreements, with lower wages and in line with proposals by the parties, to stimulate jobs for new arrivals and long-term unemployed. Labour market entry agreements will be expanded to include companies without collective agreements and temporary work agencies in a way that ensures the advantages will not be lost. It is proposed that for 2020, a total of SEK 84 million be provided for labour market entry agreements. It is expected that SEK 85 million will be provided for 2021 and SEK 117 million for 2022.

It is important that these funds are allocated on the basis of a gender perspective.

Better integration

The difference in the employment rate between Swedish-born and foreign-

born people is still too large, particularly for women. The Government therefore proposes providing a total of SEK 56 million for an intensive year for new arrivals for quicker entry into the labour market. The 'Swedish from day one' initiative for asylum seekers will be extended and SEK 50 million will be provided for language training to those on parental leave.

To encourage asylum seekers wishing to arrange their own accommodation to choose to live in an area with good prospects for a better reception, the Government proposes changing accommodation regulations. As a general rule, asylum seekers who move to certain areas with socioeconomic challenges will not have the right to a daily allowance or special allowances.

Expanded Adult Education Initiative

The Adult Education Initiative will be expanded to include 93 000 places in 2020.

Those with little education run a higher risk of unemployment than those with higher levels of education. It is therefore proposed that the education entry grant initiative be continued to recruit people with substantial education needs to enrol in studies. A more flexible range of educational programmes will be introduced in higher vocational education in the form of more individual courses. Resources will be made available to maintain the quality of liberal adult education.

Investments in education are needed to meet society's future need of skills provision and to ensure strengthened welfare throughout the country. The Government is giving particular priority to expanding essential higher education programmes where there has been a major shortage of staff with the right qualifications. It is proposed that the following programmes be expanded: preschool teacher, teacher, engineer, town planning, health care and doctor.

Funds will be provided to higher vocational education to allow a greater range of individual courses and so facilitate skills development for those who already have a job.

Dealing with the shortage of teachers is one of the most important challenges Sweden faces. The supply of teachers will be increased through measures to enhance recruitment to teacher training programmes and to give more student teachers the opportunity to work and study at the same time, to make it easier for people with higher education to change career or

supplement their education to become registered teachers, and to improve the quality of teacher training.

Active business policy

Sweden is one of the world's most innovative countries, and with innovation we can provide solutions to different social challenges. The Government proposes setting aside SEK 100 million annually between 2020 and 2022 for initiatives that promote innovation and strengthen Swedish competitiveness with links to the National Innovation Council.

Sweden is an export-dependent country and exports play a crucial role for jobs and growth in the Swedish economy. It is important that the Government mobilises its efforts to ensure that Sweden also performs well in global competition in the long term. The Government is therefore producing a detailed export and investment strategy in response to demand from the business sector.

Almi Företagspartner AB will receive additional funds to help it develop its activities and so contribute to strengthening Swedish competitiveness and creating the conditions for more and growing businesses throughout the country.

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